

MEMORANDUM

TO: Commissioners Hardy, Hadley, Landis, Server and Ziegner

FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division

DATE: March 2, 2006

RE: Utility Articles for Next Conference

The following Final Article C and Preliminary Article A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after March 8, 2006.

“C” Finals

In order to maintain parity and be in compliance with the Commission's Final Order in Cause No. 39369 issued June 2, 1993, the following local exchange carrier has filed intrastate access parity tariffs mirroring their respective interstate equivalent. The requirements prescribed for these filings in Commission Order No. 39369 have been carried out and I recommend approval.

Federal Communications Commission

<u>Item</u>	<u>Local Exchange Carrier</u>	<u>Transmittal Number</u>	<u>File Date</u>	<u>Effective Date</u>
1.	Communications Corp of Ind.	1108	01-17-06	02-01-06
2.	Communications Corp of Ind.	1109	01-25-06	02-09-06

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

Jerry L. Webb
Director of Gas/Water/Sewer Division

I approve of all items as presented above:

I approve of all items as presented above except:

Not participating in the following items:

I, _____, Disapprove Items

No.

I, _____, Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Acting Executive Secretary

“A” Preliminary

The following new miscellaneous item has been reviewed by staff members of the Commission and we recommend accepting it for filing.

1. Northern Indiana Public Service Company (Electric)

The utility is requesting an indefinite extension of the current waiver of one of the billing provisions contained in its Industrial Rates 832 and 833. On December 21, 2005, the Commission granted the utility's request for a waiver through May 31, 2006. The billing provisions, if in effect, would impose additional demand charges onto customers based on the amount of customer load at the time of NIPSCO's system peak. Upon further review and receiving customer concerns, the utility does not believe the original intent—an incentive for customers to reduce load at the time of system peak—would be met if the billing provisions were in effect. The utility states that the customers currently on Rates 832 and 833 are high load factor customers and thus not likely to change operational behavior due to the billing provisions. In addition, if the billing provisions were in effect, the utility believes that only two customers would remain on Rates 832 and 833. The NIPSCO Industrial (customer) Group has sent a letter in support of the indefinite suspension of the billing provisions.

Specifically, NIPSCO is proposing to waive indefinitely the "Customer's Demand at the time of a Company System Maximum" provision. Under this provision, as included in Rate Schedule 832 for customers not billed under the Optional Demand Charge, the customer receives "Demand Diversity Kilowatts" for each kilowatt it reduces its load at the time of a "Company System Maximum," as related to the average "on-peak" demand during the previous twelve (12) months. These Demand Diversity Kilowatts are then credited to the customer at \$4.86/KW/month. This credit would be applicable until a new system maximum occurs, but not longer than 36 months. At the end of a 36-month period, the credit will be reduced by 50% until such time a new system maximum has occurred.

Under the provisions of Rate Schedule 833, an additional Demand Charge of \$6.68/KW/month is billed for the total number of kilowatts of the Customer's Demand at the time of a Company System Maximum. This additional charge is applicable for a 36-month period or until a new Company System Maximum occurs. After a 36-month period, the additional charge is reduced by 50%.

NIPSCO states it is unable to conclusively quantify the revenue impact of this request.

NIPSCO has several times been granted suspension of this provision by this Commission. In addition, no rates or charges will be directly affected by these changes.

The tariff sheets affected by this filing are:

Seventh Revised Sheet No. 11H	Rate 832 Rate for Electric Service Industrial Power Service
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Ninth Revised Sheet No. 12G	Rate 833 Rate for Electric Service Industrial Power Service
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Jerry L. Webb
Gas/Water/Sewer Division